



September 2001

Summary of Initiative 775 to the People

(Regulating and Improving Long-term In-home Care Services)

This information has been prepared in response to various requests for a summary of the provisions of Initiative 775, which will be before the voters at the statewide general election on November 6, 2001. The material in this report is provided for informational purposes only. It is provided for use by members of the Legislature and legislative staff. It is not provided as an expression for or against any of the provisions of Initiative 775.

BRIEF SUMMARY

There are approximately 33,500 individuals in the state who receive state-funded long-term care at home. People receive home care in one of two ways; either from employees of home care agencies, or from care givers who act as independent contractors with the state and provide their services through the Individual Provider Program (IPP).

Initiative 775 would establish the Home Care Quality Authority as a public agency to provide oversight, and function as the "employer" for thousands of home care workers solely for the purpose of collective bargaining. Currently, home care workers in the IPP are paid by the state with a combination of state and federal funds, but are not considered public employees.

The Authority set up in I-775 would be directed by a nine-member board representing constituent groups identified in the initiative and appointed by the governor. It would set qualification standards for individual providers, which could be higher than current state standards. It would oversee referral, recruitment, training, background checks and related activities, and have rule-making authority. Initiative 775 would mandate that the funds needed to implement any collective bargaining agreement be included in the Governor's budget request to the legislature within 10 days of ratification of the agreement or within 10 days after the next legislative session convenes.

The Duties and Powers of the Home Care Quality Authority

- Establish qualifications and reasonable standards for all individual providers, using current eligibility standards for training and background checks as a minimum. Failure to meet these standards *may* preclude someone from being able to work as an individual provider.
- Currently minimum standards are established in rule by the Department of Social and Health Services at the direction of the legislature.

- Establish a statewide referral service of individual providers, listing only those who meet minimum standards, and give preference to workers who, without work, would be on public assistance. The Authority must recruit new people onto the registry and remove those who are found to have mistreated clients. Referrals are currently made through the local offices of the Area Agencies on Aging and in some cases through local Department of Social and Health Services offices. There is no formal referral service which consumers can access in the way that is envisioned in the initiative.
- Assure training opportunities to individual providers and consumers. Currently training standards for individual providers are established in rule by the Department of Social and Health Services at the direction of the legislature. The Area Agencies on Aging are responsible for making sure that individual providers receive minimum training.
- Coordinate with any other agencies who currently perform some or all of these duties is required.

Home Care Quality Authority as Employer

Individual providers would be considered employees of the Authority solely for the purposes of engaging in collective bargaining. Individual providers would not be considered state employees for any other reason. With some exceptions, individual provider representation would be determined and collective bargaining would be conducted pursuant to RCW 41.56, the collective bargaining act governing local public employees.

Individual providers would not be allowed to strike.

Any impasse reached in collective bargaining would be resolved through mediation and binding interest arbitration.

I-775 requires that a request for funds and any statutory changes needed to implement any collective bargaining agreement must be submitted by the Governor for legislative consideration. The initiative further reads "The legislature must approve or reject the submission of the request for funds as a whole. If the legislature rejects or fails to act on the submission, any such agreement will be reopened solely for the purpose of renegotiating the funds necessary to implement the agreement."

Role of Consumers

Consumers retain the right to hire, fire, and supervise the work of any individual provider whom they have hired. They may also hire individual providers who are not included on the Authority's referral registry.

Performance Review of the Authority

The Joint Legislative Audit and Review Committee will conduct a review of the Authority every

two years. The first report is due before December 1, 2006.

Fiscal Impacts

Initiative 775 could *potentially* result in two types of additional state expenditures:

- 1) administrative costs associated with performing the standard-setting, information and referral, collective bargaining, and evaluation functions required by the initiative; and
- 2) *additional compensation* for state-contracted home care workers as a result of the collective bargaining activities authorized by the initiative.

Possible Administrative Costs

State agencies have identified the following expenditures to implement the initiative. These cost estimates would be subject to review and modification by the Governor and Legislature, and might ultimately be funded at either a higher or lower level than presented here. These estimates assume that new administrative activities associated with implementing the initiative are in place at the beginning of state fiscal year (FY) 2003 (July 1, 2002).

ESTIMATED ADMINISTRATIVE COSTS	FY 2003	FY's 2004 & 2005
Home Care Quality Authority - State Office: assumes four full-time staff to establish qualifications and accountability standards; devise and monitor statewide background checks, training, and referral systems; and conduct collective bargaining.	\$324,000	\$648,000
Home Care Quality Authority - Local Offices: assumes 10 local offices, each with four full-time staff, to conduct provider recruitment, screening, and referral.	\$2,790,000	\$5,580,000
Public Employment Relations Commission: assumes mailing and election costs associated with selection of collective bargaining representative; mediation and arbitration of contract negotiations; unfair labor practice hearings; and grievance arbitrations.	\$536,000	\$435,000
Joint Legislative Audit & Review Committee: completion of initial program performance review.	\$0	\$207,000
TOTAL ESTIMATED ADMINISTRATIVE COSTS	\$3,812,000	\$7,194,000

Compensation Increases

Under the current state budget, the state pays individual providers of home care services \$7.68 per hour; covers the employer share of social security, medicare, and unemployment insurance taxes; and, for those with incomes below 200% of the poverty level, pays all but \$10 of the

monthly premium for workers who choose to enroll in the state's Basic Health Plan.

It is impossible to accurately anticipate at this time whether individual providers of home care services would vote to organize and bargain collectively as provided in the initiative; the extent to which a collective bargaining agreement would result in increased compensation if they do; or whether such an agreement would be accepted or rejected by the Legislature.

Solely by way of example, a \$1 per hour increase in compensation for state-contracted individual providers would cost approximately \$38.1 million in the state fiscal year beginning July 1, 2002. An estimated \$19.2 million of that total would require funding from state sources, and the balance with federal matching funds. (As used here, "compensation" could include any combination of wages, benefits, or payroll taxes.)

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